TIME AND PRICE RESISTANCE LEVELS

by W. D. Gann
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WEEKLY HIGH AND LOW CHART

The Weekly Chart is one of the most reliable trend indicators that we use. The Weekly Tables for Price and Time Resistance are very valuable and enable you to determine ahead of time the prices at which highs and lows will be made and the time or date when these extreme high or low prices will be reached.

These Weekly Tables cover periods of 7 days or 1 calendar week. Howeve you do not start to number time periods from January 1 or the 1st day of any month. You begin to count the time periods from the exact dates of any extreme high or low price. You also use the dates of the minor high and low prices both to begin to count time periods from and to get price resistance and determine a change in trend.

NATURAL SEASONAL TIME PERIODS

These periods do not start with the calendar year but start with the Spring Season March 20. The year is divided up into 8 equal parts and also divided into 1/3's which give two more time periods. These Time Periods are as follows:

Mar. 20 to May 5 is 1/8 of a year or 46 days
June 21 is 1/4 of a year or 91 days
July 23 is 1/3 of a year or 121 days
Aug. 5 is 3/8 of a year or 136 days
Sept 22 is 1/2 of a year or 182 days
Nov. 8 is 5/8 of a year or 227 days
Nov. 22 is 2/3 of a year or 242 days
Dec. 21 is 3/4 of a year or 273 days
Feb. 4 is 7/8 of a year or 319 days
Mar. 20 is 1 year or 365 calendar days

All of these periods are important to watch for changes in trend. The most important are 1/2 and the end of the season; next important 1/4 and 3/4, and 1/3 and 2/3.

MID-SEASON POINTS

These are May 5, August 5, November 8 and February 4. By checking over past records of prices, you will see how often highs and lows have occurred during these periods.

TABLES FOR TIME PERIODS AND PRICE RESISTANCE

The Tables for Time Periods and Price Resistance are made up to cover 40 years in the future. You can also use them for 40 years in the past

These Tables measure Price and Time Resistance from 6½ to 2080. Each period of one year or 52 weeks is shown at the bottom of the Table and the division of the yearly time periods are shown both for the Seasonal and Natural Time Periods and for the proportionate parts of a year starting from the date of any high or low price.

Below we give the Tables showing the Price and Time Periods.

1/8	of	year	46	days	6½	weeks	Price 6½
1/4	"	"	91	days	13	"	" 13
1/3	"	"	121	days	17	"	" 17
3/8	"	"	136	days	19½	"	" 19½
1/2	"	"	182	days	26	"	" 26
5/8	"	"	227	days	32½	"	" 32½
2/3	"	"	242	days	35	"	" 35
3/4	"	"	273	days	39	"	" 39
7/8	"	"	319	days	45½	"	" 45½
1		"	365	days	52	"	" 52

From the above you can see that the year is divided into 10 divisions of Time and starting with 6½ to 52, the price is also divided into 10 divisions. These Tables continue the same for 40 years or more, making equal divisions of Time and Price.

PRICE RESISTANCE

The Price Resistance is calculated in the same way at Time Periods from highs and lows. Always calculate how much the price is up from the low levels or how much it is down from high levels. In this way you are able to determine all of the important Price Resistance Levels. Example

Suppose the low price is 50 and the current price is 102. This is up 52 from the low and equals 52 weeks or 1 year in time, making this price important to watch for change in trend because it is a Time and Price Balance.

Suppose the high price has been 182 and at the time you look it up, the stock or grain is selling at 130. This is at 1/2 or 2½ years in time and the price is down 52 from the high which equals 1 year in time. This is also a Price and Time Balance and is important to watch for change in trend.

Suppose the price makes high or low on 1/4 and the next high or low is on 1/4 of 1/2. This would be important for change in trend.

From the low, suppose the time is on 1/4 and 3/4 and from the high the time is on 1/3 or 2/3, this is important for change in trend, especially if the price is at 1/2 or 3/4 resistance. (for more proof see example of actual market moves in the past.)

INDICATIONS FOR CHANGE IN TREND

1. TIME AND PRICE BALANCE -- Suppose you wish to look up the time period for 5 years, you look at the bottom of column 5 where you find 260, which is 260 weeks. Suppose the price is at 260. This is a Time and Price Balance and is very important for a change in trend.

   Suppose at the end of 262 weeks the price is at 234, which is 1/2 and equals 4½ years in Time. This is next in importance for change in trend.

2. ANNIVERSARY DATES -- Always consider the anniversary date from extre highs and lows as important for a change in trend.

3. DIVISIONS OF TIME -- Next consider 1/4, 1/3, 1/2, 2/3, and 3/4 of th time periods important for a change in trend.

4. PRICE RESISTANCE LEVELS -- These same Resistance Levels in Price are also important to watch for change in trend, especially when the Time Period comes out at one of these important divisions of price.

5. WEEKLY BOTTOMS AND TOPS -- When you are studying the Weekly Chart, always look to see if a weekly bottom has been broken or a weekly high level has been crossed, which would be important for a change in trend. The greater the time period from any high or low level, the more important it is when prices cross these levels.

6. DOUBLE AND TRIPLE TOPS AND BOTTOMS -- When these occur on important Time Periods and at important Price Resistance Levels, they are very important to watch for change in trend and to expect a move to start that will last for a considerable length of time.

7. SWING BOTTOMS AND TOPS -- The breaking of a swing bottom or the crossing of a swing top is very important for a change in trend.

   SWING CHART -- You can make up a Swing Chart by moving the price up to the top of each week; then the first time the low of the previous week is broken, you move the swing line down to the low of that week When that week's bottom has been broken, continue to move the line down as long as the price makes lower tops and lower bottoms. The first week that the price makes a higher bottom and a higher top, you move the line on the Swing Chart up to the top of that week and continue to move it up each week until there is a reversal.

WHEN MOST IMPORTANT CHANGES IN TREND OCCUR

These are:

1. Anniversary dates of previous highs and lows
2. Next is 1/2 of each yearly period or 182 days from any high or low
3. Next in importance is 1/4 and 3/4 or 13 weeks and 39 weeks

4. Next is 1/3 and 2/3 or 17 weeks and 35 weeks.
5. Next is 3/8 and 7/8 of a year or 19½ and 35½ weeks.

You can prove to yourself how well these rules work by going back and checking the Time Periods from highs and lows for several years and checking the price at which the stock or commodity was selling and see how it compares on the Tables for Price and Time Resistance. This will give you the value of these Time Tables and Price Resistance Levels.

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